

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 COME-00 EB-11 LAB-06 SIL-01 AID-20 TRSE-00

OMB-01 DOTE-00 FMC-04 CG-00 COA-02 DLOS-07 SWF-02

FEA-02 INT-08 FPC-01 PC-10 DRC-01 /171 W

----- 086786

R 292145Z MAY 74

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 7216

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

USCINCSO

C O N F I D E N T I A L TEGUCIGALPA 2268

E.O. 11652: GDS

TAGS: PINT, ELAB, ETRN, HO

SUBJECT: TRANSPORT STRIKE

REF: TEGUCIGALPA 2212 AND 2236

BEGIN SUMMARY: A 16 HOUR TRANSPORT STRIKE ENDED AT 4:00 P.M. MAY 27 AS A RESULT OF NEGOTIATIONS BETWEEN TRANSPORT OWNERS AND THE GOVERNMENT. THE AGREEMENT ENUMERATED ACTIONS THE GOVERNMENT WILL TAKE IMMEDIATELY OR WITHIN THE NEXT 60 DAYS TO MEET THE DEMANDS OF OWNERS. THE STRIKE OF MAINLY TRUCKS AND BUSES SHOWED THAT THE OWNERS ARE CAPABLE OF GREATLY REDUCING TRANSPORT AND PASSENGER SERVICES AND THE REACTIVATION OF THE STRIKE AT A FUTURE DATE MAY WELL DEPEND ON THE GOVERNMENT'S WILLINGNESS TO CARRY OUT AGREED UPON MEASURES AND IN RESOLVING THE REMAINING OUTSTANDING ISSUES. END SUMMARY.

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1. A TRANSPORT STRIKE AFFECTING PETROLEUM DELIVERIES CALLED AT

12:00 P.M. MAY 26 WAS ENDED AT 4:00 P.M. MAY 27 AS A RESULT OF MEETINGS BETWEEN "CONSOLIDATED DEFENSE COMMITTEE FOR LAND TRANSPORT" AND GOVERNMENT. THE GOVERNMENT HAS BEEN NEGOTIATING DIRECTLY WITH THE DEFENSE COMMITTEE SINCE A BILATERAL COMMISSION WAS FORMED 78 DAYS AGO TO CONSIDER A NUMBER OF DEMANDS ON THE PART OF TRUCK, BUS AND TAXI OWNERS. THE IMMEDIATE CAUSE OF THE STRIKE WAS A DISAGREEMENT BETWEEN PETROLEUM DISTRIBUTORS AND INDEPENDENT TRUCKERS CONCERNING THE PRICE PAID FOR HAULING FUEL.

2. THE TEXT OF AN AGREEMENT ON A VARIETY OF POINTS HAD BEEN ACCEPTED BY THE MEMBERS OF THE BILATERAL COMMISSION ON MAY 25. HOWEVER, IT PROVED IMPOSSIBLE TO ARRIVE AT AN AGREEMENT ON THE PETROLEUM HAULAGE PRICE. AS A RESULT THE DEFENSE COMMITTEE DECIDED TO CALL A STRIKE OF ITS MEMBERS INCLUDING THE TRUCKERS HAULING PETROLEUM ON MAY 26. AFTER A NEGOTIATING SESSION ON MAY 27 AN AGREEMENT WAS REACHED

ON THE HAULAGE ISSUE. THE FOLLOWING WERE THE MAJOR POINTS: (A) IN ACCORDANCE WITH DECREE 467 OF OCTOBER 14, 1971 THE TRANSPORT OWNERS

SHOULD BE PAID 10 CENTAVOS (5 CENTS) A GALLON FOR PETROLEUM DERIVATES TRANSPORTED FROM PUERTO CORTES TO TEGUCIGALPA; (B) THE MINISTRY OF ECONOMY WILL TAKE THE 10 CENTAVO CHARGE INTO CONSIDERATION DURING ITS NEGOTIATIONS ON JULY 16 WITH THE TEXACO REFINERY IN THE ESTABLISHMENT OF NEW PETROLEUM RATES; (C) THE MINISTRY OF PUBLIC WORKS WILL ESTABLISH A SCHEDULE OF TRANSPORTATION CHARGES TO OTHER AREAS OF THE COUNTRY BASED UPON THE BUERTO CORTES-TEGUCIGALPA RATE; (D) THE GOVERNMENT PROMISES THAT THE DESTIBUTORS WILL ABIDE BY THE ARRANGEMENTS; AND (E) THE TRANSPORT OWNERS PROMISE TO HONOR THE TERMS OF THE AGREEMENT.

3. POLOFF SPOKE TO ANGELO BOTAZZI, DIRECTOR GENERAL OF TRANSPORT, ON MORNING OF MAY 29 IN REGARD TO NEGOTIATIONS AND THE STRIKE. BOTAZZI STATED THAT THE GOVERNMENT HAD BEEN ANGERED BECAUSE THE STRIKE HAD BEEN CALLED WHILE BOTH SIDES WERE STILL NEGOTIATING "AROUND THE TABLE." HE SAID THAT THE AGREEMENT ON PETROLEUM HAULAGE WAS FOR THE DISTRIBUTORS TO PAY 1-1/2 CENTAVOS (.75ADENT) AND THE GOVERNMENT TO PAY AN ADDITIONAL 1-1/2 CENTAVOS TO BRING THE RATE FOR HAULING ONE GALLON OF PETROLEUM OR ITS DERIVATIVES FROM THE PRESENT

7 CENTAVOS TO THE 10 CENTAVOS DEMANDED BY THE TRANSPORT OWNERS.
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HE POINTED OUT THAT THIS SITUATION WOULD EXIST UNTIL JULY 16 WHEN THE GOVERNMENT WOULD ENTER INTO NEGOTIATIONS WITH THE REFINERY TO ESTABLISH NEW PETROLEUM RATES. THE EXTRA 3 CENTAVOS A GALLON WILL BE INCLUDED IN THE NEW RATES AT THAT TIME. BOTAZZI CLEARLY INDICATED THAT THE GOVERNMENT BELIEVES THAT THEY HAVE A COMMITMENT FROM THE TRANSPORT WORKERS NOT TO CALL ANOTHER STRIKE REGARDLESS OF THE GOVERNMENTS'S RESPONSE TO THEIR FURTHER DEMANDS.

4. THE MAIN POINTS OF THE OTHER AGREEMENT SIGNED BY THE GOVERNMENT AND THE DEFENSE COMMITTEE MEMBERS IN THE BILATERAL COMMISSION APART FROM THE PETROLEUM HAULAGE ISSUE ARE AS FOLLOWS: (A) THE COORDINATOR OF THE BILATERAL COMMISSION WILL PUT THE AGREEMENT INTO EFFECT ON MAY 27; (B) THE DIRECTOR GENERAL OF TRANSPORT AGREES TO START IMMEDIATELY A GENERAL REVIEW OF FREIGHT CHARGES; (C) A PROPOSED LAW ON ALLOWABLE PERCENTAGE PROFITS ON SPARE PARTS WILL BE PRESENTED TO GENERAL LOPEZ DURING THE WEEK OF MAY 27-31; (D) VARIOUS GOVERNMENT AGENCIES WILL PUT INTO EFFECT AN ALREADY CONCLUDED AGREEMENT ON A SUBSIDY FOR COLLECTIVE PASSENGER TRANSPORT; (E) THE GOVERNMENT WILL ATTEMPT TO WORK OUT A SYSTEM OF SPECIAL FINANCING FOR THE TRANS-

PORT SECTOR AND A REPORT ON THIS EFFORT WILL BE PRESENTED IN 30 DAYS; AND (F) ALL OTHER POINTS RAISED BY THE TRANSPORT OWNERS WILL BE STUDIED WITH A VIEW TO RESOLVING THEM WITHIN 60 DAYS.

5. POL OFF SPOKE TO RUBEN SOLANO DIAZ, ONE OF THE LEADERS OF THE TRANSPORT OWNERS ON THE MORNING OF MAY 28. SOLANO SAID THAT THE REAL REASON FOR THE STRIKE, APART FROM THE PETROLEUM PROBLEM, WAS AN ATTEMPT TO SHOW THE GOVERNMENT THAT THEY HAD THE CAPABILITY OF PUTTING SUCH A STRIKE INTO EFFECT. HE SAID THAT ON THE WHOLE THE STRIKE HAD BEEN A SUCCESS BUT THERE WERE SOME ORGANIZATIONAL FAILURES WHICH HAD TO BE CORRECTED TO MAKE ANY SUBSEQUENT STRIKE EVEN MORE SUCCESSFUL. HE SAID THAT HE WAS PESSIMISTIC ABOUT HOW THE GOVERNMENT WOULD CARRY OUT THE POINTS AGREED UPON AND POINTED OUT THAT THERE ARE STILL A NUMBER OF IMPORTANT MATTERS TO BE RESOLVED. HE REMARKED THAT THE TRANSPORT OWNERS WOULD WAIT TO SEE WHAT THE GOVERNMENT'S ACTIONS ARE IN THE NEXT TWO MONTHS BEFORE DECIDING TO AGAIN CALL FOR A STRIKE.

6. COMMENT: IT SEEMS CLEAR THAT THE STRIKE WEAPON WAS UTILIZED TO CONSIDERABLE EFFECT BY THE TRANSPORT OWNERS. AT THE VERY LEAST IT SHOWED THAT THEY ARE CAPABLE OF A GOOD DEAL OF INTERNAL DISRUPTION
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IN TERMS OF CUTTING TRANSPORT SHIPMENTS AND HALTING PASSENGER SERVICES. AS A RESULT OF THE STRIKE THERE WERE ALSO SHORT OUTBREAKS OF VIOLENCE IN THE SAN PEDRO SULA AREA THAT WERE QUICKLY BROUGHT UNDER CONTROL BY THE POLICE. FURTHERMORE, THE TRANSPORT OWNERS HAULING PETROLEUM DERIVATIVES WERE SUCCESSFUL IN OBTAINING THE ADDITIONAL 3 CENTAVOS A GALLON THAT THEY HAD BEEN DEMANDING.

7. THE QUESTION OF FURTHER STRIKE ACTION REMAINS UNCLEAR FOR THE NEXT TWO MONTHS AS THE GOVERNMENT SEEKS TO CARRY OUT ALREADY AGREED UPON STEPS AND TO RESOLVE THE REMAINING OUTSTANDING PROBLEMS. ONE OMINOUS ELEMENT IS THAT THE GOVERNMENT APPEARS TO BELIEVE THAT THE TRANSPORT OWNERS HAVE AGREED NOT TO STRIKE AGAIN AND WILL ACCEPT THE GOVERNMENT'S PROPOSALS. HOWEVER, IT SEEMS PROBABLE THAT THE OWNERS DO NOT BELIEVE THEMSELVES BOUND BY ANY SUCH AGREEMENT AND WOULD CONSIDER THE POSSIBILITY OF RENEWING THE STRIKE IF THE

GOVERNMENT RESPONSE IS INADEQUATE.
SANCHEZ

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